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Mexico

Tree Nuts

Annual Report

2004

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Report Highlights:

Mexico's MY 2005/06 pecan crop is forecast at 68,000 MT, 3.0 percent higher than the previous year's revised level, as more new trees begin bearing nuts and are expected to boost harvest prospects. For MY 2004/05, production has been revised upward by 3.0 percent, due to ideal weather conditions (sunlight and temperatures) in the pecan orchards and farmers applying quality inputs to improve volume and nut quality.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Mexican pecan production continues to increase as trees planted over the last several years come into bearing. Growers continue to increase area planted to pecans as this fits into Mexico's need to diversify into less water-intensive crops. In addition, Mexico's pecan producing regions are unique for producing pecans of the highest quality due to exceptional weather and sunlight hours needed for pecans. With the increased acreage planted to pecans, production should become more efficient, diversified, and profitable for growers who are able to increase tree planting density.

Mexico normally follows the growing trends of the United States and many consumers believe that nuts are a health food that provides specific health benefits. As disposable incomes for some Mexican consumers and awareness of U.S. trends increase, many consumers are purchasing pecans as a snack food. Retailers are currently marketing pecans mixed with other tree nuts as a snack food where the product can command a premium price. Consumption of pecans in the processed food, bakery and confectionary industries continues to grow as well.

NOTE: PS&D import and export figures are based on official Mexican trade data and information from domestic traders, and frequently differ from official U.S. trade data.

Production

An expected return to more normal weather conditions combined with a steady increase in plantings and improved inputs is expected to produce better than average sized crops in the coming years. Much for the above reason, Mexico's pecan production for MY2005/06 is forecast at 68,000 MT in-shell basis, up 3.0 percent, from the previous year's estimate. According to industry sources, revised production estimates for MY2004/05 place the crop at 66,000 MT, due to better tree care and improved inputs. For MY 2003/04, production estimate was revised downward reflecting official data.

Consumption

Domestic consumption figures are not available for pecans in Mexico. The consumption figures indicated in the PS&D table of this report represent industry's calculation of the difference between production, exports and domestic disappearance. For the above reason, consumption for MY 2005/06 is forecast at 37,500 MT, 4.8 percent over the previous year's revised estimate. MY 2004/05 consumption is estimated at 35,785 MT, an increase of 10 percent above the previous estimate, due to the larger crop. For MY 2003/04, consumption is revised downward by 6.5 percent over our previous estimate for the same period due to lower production that resulted in a domestic price increase of around US\$2.33/kg.

Trade

Exports for MY2005/06 are forecast to reach 46,500 MT, a less-than-one-percent increase over the previous year's revised figure, due to the slight increase in area planted and production and the expected demand for high quality pecans in the U.S. market. Exports for MY 2004/05 are revised downward from our previous estimate for the same period as producers felt domestic prices were attractive enough to sell more pecans in the domestic market rather than export larger quantities. For MY 2003/04, exports were revised downward due to a drop in production fueled by dry conditions that reduced yield potential in the lead up to harvest.

U.S. pecan imports have been declining lately. Inquiries into this have revealed that an unknown amount are temporary imports of inshell pecans to the Mexican border area for shelling by shelling plants located on the Mexican side of the border and then re-exported to the United States. MY 2005/06 imports are forecast at 16,000 metric tons, the same as the previous year's revised figure, due to rising domestic production. Imports for MY 2004/05 are revised downward from the previous estimate of the same period, due to increased domestic production and attractive domestic prices. Import figures for MY 2003/04 are revised downward reflecting official data.

Stocks

According to industry sources, insufficient cold storage warehouses for storing pecans throughout the year is the principal reason for the lack of pecan stocks at the end of the marketing year. In addition, both good domestic and export market demand and attractive prices have acted to clear the market of stocks.

Policy

There are no new federal or state government policies encouraging tree nut production of which post is aware.

Marketing

U.S. tree nut exporters, new to the Mexican market, are encouraged to contact the following trade organizations for further market information.

THE U.S. AGRICULTURAL TRADE OFFICE
 BRUCE ZANIN, DIRECTOR
 JAIME BALMES NO. 8 - 2ND. FLOOR
 11510 MEXICO, D.F.
 PH. (525) 280-5291/5276; FAX. (525) 281-6093
ZANINB@fas.usda.gov

ASOCIACION NACIONAL DE FABRICANTES DE CHOCOLATES, DULCES Y SIMILARES, A.C.
 (NATIONAL ASSOCIATION OF MANUFACTURERS OF CHOCOLATES, CANDY AND SIMILARS)
 MANUEL MARIA CONTRERAS NO. 133-301
 COL. CUAUHTEMOC
 MEXICO 06500, D.F.
 PH. (525) 5546-1259, 5546-0974; FAX. (525) 5592-2497

CAMARA NACIONAL DE INDUSTRIA PANIFICADORA Y SIMILARES (CANAINPA)
 (NATIONAL CHAMBER OF THE BAKING AND CONFECTIONARY INDUSTRY)
 DR. LICEAGA NO. 96
 COL. DOCTORES
 MEXICO 06720, D.F.
 PH. (525) 5578-9277, 5578-9288; FAX. (525) 5761-8924

CAMARA NACIONAL DE LA INDUSTRIA DE TRANSFORMACION (CANACINTRA)

(NATIONAL CHAMBER OF THE TRANSFORMATION INDUSTRY)
SAN ANTONIO NO. 256
COL. AMPLIACION NAPOLES
MEXICO 03849, D.F.
PH. (525) 5563-3400, 5563-3000; FAX. (525) 5598-9467

ASOCIACION NACIONAL DE TIENDAS DE AUTOSERVICIO Y DEPARTAMENTALES, A.C.
(ANTAD)
(NATIONAL ASSOCIATION OF SUPERMARKETS AND DEPARTMENT STORES)
AV. HORACIO 1855, 6TH FLOOR
COL. CHAPULTEPEC MORALES
11570 MEXICO, D.F.
(525) 5580-1772; FAX. (525) 5395-2610

Tables

PS&D, Pecans, In-shell Basis

(Hectares, Metric Tons, Trees)

PSD Table						
Country:	Mexico					
Commodity:	Pecans, In-shell Basis					
	2003		2004		2005	
	Old	New	Old	New	Old	New
Market Year Begin	10/03		10/04		10/05	
Area Planted	53500	53745	54000	56165		56500
Area Harvested	52000	52000	53000	53545		55000
Bearing Trees	3100000	3100000	3150000	3250000		3300000
Non-Bearing Trees	125000	125000	130000	140000		140000
Total Trees	3225000	3225000	3280000	3390000		3440000
Beginning Stocks	0	0	0	0		0
Production	63500	62435	64000	66000		68000
Imports	17100	10000	18000	16000		16000
TOTAL SUPPLY	80600	72435	82000	82000		84000
Exports	48600	42398	49500	46215		46500
Domestic Consumption	32000	30037	32500	35785		37500
Ending Stocks	0	0	0	0		0
TOTAL DISTRIBUTION	80600	72435	82000	82000		84000

Note: Conversion factor used from shelled to in-shell basis, 2.00

Trade Matrix

PECANS, IN SHELL			UNITS: Metric Tons		
Exports To:	2003	2004*	Imports From:	2003	2004*
U.S.	23513	4253	U.S.	8315	8000
Others unlisted	5	2	Others unlisted	0	0
Grand Total	23518	4255	Grand Total	8315	8000

PECANS, SHELLD			UNITS: Metric Tons		
Exports To:	2003	2004*	Imports From:	2003	2004*
U.S.	9442	3618	U.S.	675	22
Others not listed	0	0	Others not listed	0	0
Grand Total	9442	3618	Grand Total	675	22

SOURCE: US Trade Data from U.S. Customs

NOTE: * indicates that figures are for January thru May.